

Investment Recommendation No. 3

30 September 1965

MEMORANDUM FOR: Director of Finance

SUBJECT : Recommended Investment in U. S. Treasury Securities
for CIA Retirement Fund

I. Funds Available for Investment

Cash on Hand GL 906 - COB 18 September 1965
Reserve for Annuity Payments
Cash Available for Investment

Due from CSC COB 28 September 1965

Chief, Compensation and Tax Division

II. Investment Proposal

A. The following U. S. Treasury securities are submitted for your consideration:

1. 3½% U. S. Treasury Bonds maturing February 15, 1990
2. 4½% U. S. Treasury Bonds maturing August 15, 1987/92
3. 4% U. S. Treasury Bonds maturing February 15, 1988/93

B. Specific Recommendation

Investment up to [REDACTED] in proposal A-2 above. The long term of this issue would seem to fit our projections for the fund. Our investment advisors in Treasury have suggested either A-1 or A-2 based on an equal yield to maturity of 4.31. A-2 has a higher coupon which means the additional interest would be available for reinvestment on a six-months basis thereby accelerating the investment return. In A-1, we could purchase face value of [REDACTED] for A-2; however, this difference would not be recoverable until 1990, whereas additional interest received from 4½ per cent bonds could be invested, if necessary

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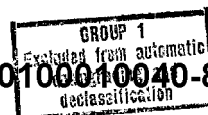
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SUBJECT: Recommended Investment in U. S. Treasury Securities for CIA Retirement Fund

in short term paper.


Chief, Monetary Division

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APPROVED:


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Director of Finance

9/30/65
Date

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III. Action Taken

Verbally instructed  (Treasury
184-2346), on September 30, 1965 to
purchase bonds as approved.

DNJ

Distribution:

- 0 - Monetary
- 1 - Dir. Fin.
- 1 - C/CTD

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